

PROPERTY MANAGEMENT COMMITTEE

January 23, 2014

5:30 p.m.

Courthouse

MINUTES:

MEMBERS PRESENT:

Commissioner Charlie Baum  
Commissioner Adam Coggin  
Commissioner Carol Cook  
Commissioner Trey Gooch  
Commissioner Tiffany Phillips  
Commissioner Matt Young  
Commissioner Allen McAdoo, C

OTHERS PRESENT:

Ernest Burgess      Laura Bohling  
Mike Picklesimer    Tara MaGinn  
Rodney Scholten     Les White  
Becky Shelton

Chairman McAdoo presided and called the meeting to order at 5:30 p.m. with six members being present at that time.

MINUTES:

"Commissioner T. Phillips moved, seconded by Commissioner Coggin, to approve the minutes of the last meeting as mailed. This motion passed unanimously by acclamation."

DELINQUENT REAL PROPERTY TAX COMMITTEE:

Mayor Burgess reminded the Committee that the Delinquent Real Property Tax Committee needed to be established and it would consist of four Property Management Committee members and the Mayor. Mayor Burgess advised the Committee could meet when needed at the end of Property Management Committee meetings. The Committee has the authority to set the price on delinquent properties but cannot sell properties for less than the tax owed, penalty and interest. The Committee can also decide how to sell properties including public notice, using the County website, newspaper, etc. The current properties available to be sold are not worth enough to do an auction. If the Committee determines a property should be sold for less than the tax owed, penalty and interest it would have to take the matter to the Commission for permission to sell for less.

By random drawing, the Committee will be Chairman McAdoo, Commissioners T. Phillips, Baum and Gooch with Mayor Burgess.

There are currently three properties to be sold. (1) Map 82, Parcel 58.03, Factory Road with a current value of \$4,203.94. (2) Map 187, Parcel 4.15, Hollow Road with a current value of \$6,469.50 and (3) 121 Glendale Drive, LaVergne, with a current value of \$6,365.18.

"Commissioner Gooch moved, seconded by Commissioner T. Phillips, to approve the sale of the three properties available for sale at the amount listed subject to additional costs, penalties and interest accrued being (1) Map 82, Parcel 58.03, Factory Road with a current value of \$4,203.94. (2) Map 187, Parcel 4.15, Hollow Road with a current value of \$6,469.50 and (3) 121 Glendale Drive, LaVergne, with a current value of \$6,365.18. The same to be advertised in a newspaper of general circulation, on the County website and television station and a letter to the adjacent property owners within 1,000 square feet. This motion passed unanimously by acclamation."

JUDICIAL CENTER PARKING GARAGE PURCHASE AGREEMENT:

Mayor Burgess next presented a proposed Purchase and Sale Agreement for the Daily News Journal building at a purchase price of \$600,000. The Commission previously approved purchase of land and

design of \$5,000,000 and there have been prior discussions about finding additional land for the parking garage. There have been discussions with property owners in the vicinity and the owners of the DNJ are interested in selling and have agreed to the purchase price of \$600,000. Mayor Burgess advised he felt it was a fair price, is 1.15 acres and is a good location. It is zoned Commercial Business District so basically there are no limitations on what the County can do with the property. The Purchase and Sale Agreement has a sixty day due diligence period starting when the agreement is signed on February 13 after Commission approval for environmental studies to be done. The County could back out of the Agreement at that time. A \$30,000 deposit is required when the Agreement is signed but is refundable if the County backs out during the due diligence. The sale would close in 90 days from February 13.

Mayor Burgess advised no one has yet been contacted to handle parking such as Central Parking but now have property and that option can be pursued. Commissioner Baum asked if the City would be interested in partnering on the parking garage. Chairman McAdoo advised the County already did a parking garage with the City but the City changed the rules and now controls the parking garage. A partnership sounds good but in reality it could be a mess and the County probably wants say so on this parking garage and needs to be the sole owner or sole lessor. Commissioner Baum advised the County should ask since already have one parking garage. Commissioner Young advised he saw no benefit to the City of a parking garage in the DNJ location as the City offices are convenient to the current parking garage. Commissioner Baum advised it could be beneficial to the City. Mayor Burgess advised a partnership could be explored but the County needed to proceed to purchase the property. Chairman McAdoo advised he was sure the entities would be in discussions because they will be talking about the change in traffic flow with the new bridge over Broad Street.

Mayor Burgess advised the DNJ property value is approximately \$1,000,000 per the Rutherford County Assessor's appraisal with \$600,000 of that assessed to the land. The County is buying the land and will demolish the buildings. There may be some salvage value in the demolition. Following discussion,

"Commissioner Young moved, seconded by Commissioner Gooch, to approve the Purchase and Sale Agreement for the DNJ building as presented and forward the same to the Budget Committee. This motion passed unanimously by roll call vote."

#### PUBLIC BUILDING AUTHORITY AGREEMENT FOR DESIGN OF JUDICIAL CENTER:

Mayor Burgess next presented a proposed outline of the approach for the Public Building Authority to handle the design and construction of the new Judicial Building project and if the Committee agrees with the proposal then the PBA attorney and County Attorney will craft an agreement to proceed. The proposal provides for two phases. The first being design and second being construction. Mayor Burgess advised he hoped to have a contract by the March Commission. Following discussion,

"Commissioner Cook moved, seconded by Commissioner Coggin, to approve the outline presented as a template for a contract with the Public Building Authority on the new Judicial Center project. This motion passed unanimously by acclamation."

#### USDA LEASE AT LANE AGRI PARK:

Mayor Burgess reminded the Committee the County had previously entered into a one year add on lease with the USDA which runs through September. Mayor Burgess advised it was his recommendation the County make an offer of \$16 per square foot for the first

five year period with a second five year option which the USDA has the right to renegotiate the second five year option. There is 9,300 square feet under lease in the Lane Agri Park building. The rent was increased to \$14 per square foot in 2008 and is still at \$14 until September 30, 2014. Following discussion,

"Commissioner Young moved, seconded by Commissioner Baum, to approve submission of an offer to lease for ten years with the first five years at \$16 per square foot firm with an option to negotiate the second five year term and forward the same to the Budget Committee. This motion passed unanimously by roll call vote."

There appearing to be no further business to come before the Committee, Chairman McAdoo declared the meeting adjourned at 6:13 p.m.

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ALLEN McADOO, Chairman